

SPECIAL REPORT

VETERANS



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REVISED AND
UPDATED

**TO PAY FOR THE HUGE TAX CUT,
THE BUSH BUDGET SHORTCHANGES
VETERANS' PROGRAMS**

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*The Bush Veterans' Budget Breaks the Campaign Promises Bush
Made to Veterans*

– Revised and Updated Version of Special Report –

“The Bush Administration’s Fiscal Year 2002 budget for the Department of Veterans’ Affairs is not good enough. ... Frankly, this budget is insufficient to fulfill the campaign promises George W. Bush made September 6 at The American Legion 82nd National Convention in Milwaukee.”

American Legion Press Release, 2/28/01

“[The President’s budget] provides a discretionary increase [for veterans’ programs] of \$1 billion. This recommended amount would not even cover the costs of mandated salary increases and the effects of inflation.”

Letter to Senators from AMVETS, Paralyzed Veterans of America, Veterans of Foreign Wars, and Disabled American Veterans, 4/3/01

Throughout the 2000 Presidential campaign, then-Governor Bush spoke frequently about the need to honor America’s veterans. However, the Bush Administration’s FY 2002 budget for the Department of Veterans’ Affairs falls far short of providing essential resources needed to keep the nation’s commitment to honor the men and women who have served in uniform.

Observers of the country’s veterans’ programs have noted the increased strains on the system – from growing demands being placed on the veterans’ health care system to growing backlogs in processing veterans benefits.

And yet, despite the overwhelming evidence of veterans needs going unmet, the Bush Administration proposed \$23.4 billion in discretionary spending for veteran’s programs – only \$1 billion over FY 2001. This funding level has been universally seen as inadequate. Indeed, on March 7, on a bipartisan basis, the House Veterans’ Affairs Committee voted unanimously to recommend an increase of \$2.1 billion over FY 2001 for veterans discretionary programs -- which is \$1.1 billion above the Bush Administration’s request. Furthermore, Rep. Christopher Smith, Chairman of the Veterans’ Affairs Committee, and Rep. Lane Evans, Ranking Democrat on the Veterans’ Affairs Committee, have sent out a letter stating, “The \$2.1 billion is the minimum needed to keep the

promises made to care for those who risked their lives and answered this country's call in its hour of need. The President's budget falls \$1.1 billion short of this minimum.

The reason that President Bush has submitted an inadequate veterans budget to Congress is because, in order to pay for his massive \$2.0 trillion tax cut package, he has decided to hold discretionary spending at unrealistically-low levels. Indeed, Republican Senate Budget Committee Chairman Pete Domenici has already labeled the President's budget request for discretionary spending as simply **"inadequate."**

Specifically, in order to make room for his massive tax cut package, President Bush has held total discretionary spending for FY 2002 at \$660.7 billion – which is **\$2.8 billion** below the CBO baseline for FY 2002 – i.e., the amount that the Congressional Budget Office estimates is necessary to maintain current services at the FY 2001 level. Furthermore, President Bush holds domestic discretionary spending at \$335.8 billion – which is **\$5.9 billion** below the CBO baseline level. In order to hold domestic discretionary spending at the unrealistically-low level of \$335.8 billion, President Bush has submitted completely inadequate budget requests to Congress, including the budget request for the Veterans' Administration.

Background

The reason that the President's veterans' budget is so universally considered to be inadequate is because of the numerous problems currently plaguing veterans programs. For example, America's veterans today are experiencing a marked deterioration in timely access to quality health care and the prompt and accurate delivery of other veterans' benefits, notably benefit claims decisions, as noted below.

"At the VA Chicago Medical Center, veterans wait an average of 214 days to be seen in the gastroenterology clinic. This delay is attributed to higher demand from veterans suffering from Hepatitis C. In New Jersey's Brick and Ft. Dix VA community-based clinics, veterans are required to wait to be seen by a VA practitioner from 6 to 11 months for an initial, non-urgent appointment."

House Committee on Veterans' Affairs

"The Veterans Benefits Administration currently has a backlog of 513,971 claims waiting to be processed. Indeed, during the three-month period of November 24, 2000, to February 23, 2001, the backlog of pending claims increased by 130,294 from 329,278 to 459,572. This is an average weekly increase of more than 10,000 pending claims."

House Committee on Veterans' Affairs

The following report provides an overview of how the inadequate Bush Administration veterans' budget fails to live up to the commitments candidate George W. Bush made to veterans during the campaign.

Overall Veterans Discretionary Spending

! Candidate Bush's Campaign Promise

"America's veterans today ask only that government honor its commitments as they honored theirs. They ask that their interests be protected, as they protected their country's interests in foreign lands. These are the ways to help repay our debt of honor to veterans."

Speech of candidate George W. Bush in Manchester, NH, November 10, 1999

"Daily advocacy is what veterans deserve, and should I become President, daily advocacy is what veterans will have – in VA and in the White House."

Speech of candidate George W. Bush to The American Legion 82nd Annual National Convention, September 6, 2000

! Bush Budget Funding Request

Requested \$23.5 billion in discretionary spending for veterans' programs for FY 2002, which is only \$1 billion over the FY 2001 enacted level.

! Bush Budget Shortfall

The Bush Administration's proposed increase of only \$1 billion over FY 2001 in discretionary spending for veterans' programs has been widely criticized as being wholly inadequate. Indeed, the House Veterans' Affairs Committee, on a unanimous basis, recommended an increase of \$2.1 billion over FY 2001 – **which is \$1.1 billion over the President's budget.** Furthermore, some veterans' advocacy groups have urged an increase of \$3.5 billion over FY 2001.

Veterans' Medical Care

! Candidate Bush's Campaign Promises

"The VA healthcare system should always be a source of pride and peace of mind. But the system has problems today. And when these problems are neglected, veterans and their families suffer. As president, I will work with Congress to raise the standard of service – not just for veterans, but for our military retirees. All of them must be treated with the care they have been promised, and the dignity they have earned. Health care for veterans has become a complicated and bureaucratic process, with long delays and unfair denials in coverage.

"Second, I will convene a Veterans Health Care Task Force... Their job will be to see that laws such as the Veterans Millennium Health Care Act are being fully implemented."

Speech of Candidate George W. Bush to The American Legion 82nd Annual National Convention, 9/6/00

! **Bush Budget Funding Request**

- C Requested only \$21.4 billion for discretionary spending for veterans' medical care in FY 2002, which is only \$800 million over the FY 2001 enacted level. An increase of \$800 million doesn't even cover medical care inflation.
- C In requesting only a \$800 million increase for veterans' medical care, fails to provide adequate resources to begin to fully implement the Veterans' Millennium Health Care and Benefits Act of 1999.

NOTE: "The Veterans Millennium Health Care and Benefits Act of 1999 clarified and expanded VA's mission to maintain specialized capacity to care for aging veterans. The Committee in crafting the Millennium legislation challenged VA to reposition itself to meet the needs of the World War II veteran generation, now averaging 80 years of age. Many of these veterans suffer from a multiplicity of age-related problems and diseases. Of particular note and concern to the Committee are Alzheimer's Disease, other dementias and other brain disorders. About 600,000 veterans are estimated to be suffering from brain diseases, most of whom live at home with family caregivers." House Committee on Veterans' Affairs, March 12, 2001

! **Bush Budget Shortfall**

The fact that the Bush veterans' health care budget is seriously inadequate has been highlighted by Republican Congressman Christopher Smith, Chairman of the House Veterans' Affairs Committee, who has stated, "[The Administration budget would] just about keep veterans' health care even. But we need to do more than keep health care even. We know from our hearing that veterans' health care programs have some specific [unmet] needs."

Indeed, the increase of \$2.1 billion over FY 2001 for veterans' discretionary spending (\$1.1 billion over the Bush Administration's request) that was recommended by a unanimous vote of the Members of the Veterans' Affairs Committee on March 7 included **an increase of \$1.525 billion over FY 2001 for veteran's health care programs**, including \$141 million for mental health programs, \$100 million for higher pharmacy costs, \$88 million for long-term care, \$75 million for staff to reduce waiting lines, \$68 million for emergency care, \$30 million for homeless programs, \$23 million for spinal cord injury programs, and \$1 billion to adjust for inflation.

By contrast, these veterans' health care needs simply could not be met by the constrained veterans' budget that has been submitted by the Bush Administration.

Veterans' Long-Term Care

! Candidate Bush's Campaign Promises

"As the veterans' population grows older, we must make long-term care a higher priority. Wherever possible, we should put unused facilities back into service for veterans, including homeless veterans who need assisted living, or other kinds of care. We have a responsibility to fulfill the health care commitments made to those who wore the uniform."

Speech of Candidate George W. Bush to The American Legion 82nd Annual National Convention, September 6, 2000

! Bush Budget Funding Request

No specific additional funding requested to improve veterans' long-term care. That is, by requesting an overall increase for veterans' medical care of only \$800 million for FY 2002 – which doesn't even cover medical care inflation – the Bush budget fails to provide any earmarked increases for improving long-term care.

! Bush Budget Shortfall

By contrast, the House Committee on Veterans' Affairs – in recommending an overall increase for veterans' medical care of \$1.525 billion for FY 2002 – includes a recommendation of an additional \$88 million in discretionary spending in fiscal year 2002 to better meet long-term related veterans' health care needs,

Homeless Veterans

! Candidate Bush's Campaign Promises

"Wherever possible, we should put unused (VA) facilities back into service for veterans, including homeless veterans who need assisted living or other kinds of care."

Speech of Candidate George W. Bush to The American Legion 82nd Annual National Convention, September 6, 2000

! Bush Budget Funding Request

No specific additional funding requested to improve health care services for homeless veterans. That is, by requesting an overall increase for veterans' medical care of only \$800 million for FY 2002 -- which doesn't even cover medical care inflation -- the Bush budget fails to provide any earmarked increases for improving health care services for homeless veterans.

! Bush Budget Shortfall

By contrast, the House Committee on Veterans' Affairs -- in recommending an overall increase for veterans' medical care of \$1.525 billion for FY 2002 -- includes a recommendation of an additional \$30 million in discretionary spending in fiscal year 2002 to better meet the health care needs of homeless veterans.

Veterans Benefits Processing

! Candidate Bush's Campaign Promises

"Resolving a disability claim can be an ordeal, taking an average of 205 days to complete. So chaotic is the process there is now a backlog of nearly one-half million claims, one-quarter of them involving appeals. A veteran who appeals a decision can expect to wait 745 days -- close to two years. And when the claims have been adjudicated and a decision finally made, a third of those decisions contain errors."

Speech of Candidate George W. Bush to The American Legion 82nd Annual National Convention, September 6, 2000

! Bush Budget Funding Request

The Bush Administration has failed to send up to Congress an urgently-needed \$30 million supplemental for FY 2001 to address the growing backlog of veterans' claims.

! Bush Budget Shortfall

"Every day we, and many other Members of Congress, hear from disabled veterans and their families concerning the hardship they are experiencing as a result of the backlog of 513,971 claims at the Department of Veterans Affairs (VA). While a number of factors have contributed to the backlog and a variety of solutions may be needed, it is essential that your Administration take action now and request the supplemental funding needed today by VA to respond to this growing crisis....

"We are extremely concerned that despite a backlog increase of almost 100,000 claims in the first 100 days of your administration, the Office of Management and Budget (OMB) has refused to forward a request to Congress for the supplemental appropriation VA has requested in order to respond to this crisis. Claims delayed are claims denied for those veterans. This is no way to honor the service and sacrifice of the men and women who have served in uniform and now seek benefits for disabilities incurred or aggravated by their military service."

Letter to President Bush from Rep. Lane Evans and Rep. Silvestre Reyes, 4/27/01

Veterans Education Benefits

! Candidate Bush's Campaign Promises

"To the veteran, we owe gratitude – shown not just in words of tribute, but in acts of care and attention. To those who serve today and in the future, this country owes the best in training and equipment and leadership."

- Speech of Candidate George W. Bush to The American Legion 82nd Annual National Convention, September 6, 2000

"The Navy is not only short on money, maintenance and weapons; it's short on sailors. The Navy entered this new century with a shortage of nearly 10,000 enlisted personnel at sea. In 1998 and 1999 for the first time the United States Army fell short of its recruiting goals for the all-volunteer force. And the Air Force missed its recruiting goals for the first time since 1979."

- Speech of Candidate George W. Bush to the VFW, August 21, 2000

! Bush Budget Funding Request

No increase in Montgomery GI Bill (MGIB) benefits requested nor recommended.

! Bush Budget Shortfall

The fact that the Bush budget is inadequate is highlighted by the following pressing needs documented by the House Veterans Affairs Committee:

"The College Board's most recent statistics reflect average annual tuition and fees for attending a four-year public college is \$9,229 for commuter students and \$11,338 for students who live on campus. Four-year private institutions cost \$21,704 and \$24,946 respectively. With the current basic Montgomery GI Bill Benefit of \$5,850, however, a veteran is expected to pay for tuition, fees, and room and board over the academic year. The disparity between these ever-increasing costs and a veteran's ability to pay for them seems clear."

Views and Estimates, House Committee on Veterans' Affairs, March 12, 2001

"Montgomery GI Bill. – The Committee recommends a three-step approach, all of which ties in with revitalizing our military....The third and ultimate step would implement the Servicemembers and Veterans Transition Assistance Commission recommendation for a Montgomery GI Bill Benefit that pays tuition, fees, and a monthly subsistence allowance, thus allowing veterans to pursue enrollment in any educational institution in America limited only by their aspirations, abilities and initiative. Against the current baseline, this measure would cost about \$1.3 billion in year one, and \$2.6 billion over five years. The third step could be enacted in the 107th Congress if the Administration were to propose it."

Views and Estimates, House Committee on Veterans' Affairs, March 12, 2001